

e-Management Digest

A collection of management articles for the aspiring managers

February 2006

This Management Digest is prepared for the aspiring managers as an update to what they already know. This newsletter is sent monthly to members of the Hong Kong Institute of Marketing and delegates following courses provided through Consort Management Consultants Ltd.

MANAGEMENT

Knowing Your Objectives

The success of a business relies on whether its managers can establish clear objectives. While this is an undisputable understanding amongst managers, in numerous company surveys and interviews, company executives fail to offer a clear indication of where they want to lead their companies. Making profit is the business of all companies, but 'how to achieve the profit goals', 'how to allocate resources' and 'what are the means to meet the end' are difficult questions to answer.

There are basically two kinds of objectives. Strategic objectives cover a longer period and are for the senior management to develop and execute. Operational objectives are performance specific and quantified for the less senior level executives.

Good objectives have to be clear, precise and easy to understand. Managers can classify objectives according to their importance or whether they are primary or secondary. Some objectives are linked and sequential.

Management guru Litterer developed the concept of a 'Means and Ends Chain' to relate different levels of objectives to each other. There are several ways (Means) to achieve an objective, and each of these Means can be an objective in itself. By extending the Means, there could be a chain of several layers of inter-related but smaller objectives.

For example, if a company sets profit growth as an objective, then the Means would be to increase sales and at the same time decrease costs. Sales growth then becomes an independent objective, and to achieve this, there would be objectives to increase sales volume, which in turn comes from increasing promotion, increasing price or developing new products. Similarly, chains for cost decreases can be set up.

This is a top-down approach to setting goals and targets for the junior levels, but at the outset, there must be very clearly defined strategic objectives at the senior level.

Clear objectives avoid conflict and disharmony within an organisation. They are in fact the basis for good planning and control procedures, and for efficient distribution of resources and tasks coordination.

(by Ernest Ngai, HKIM Education Chairman)

LEADERSHIP

Managing Dogs

As we step into the Year of the Dog, it is appropriate to take a look at whether management theories can be used to manage dogs. Peter Hunter, a management consultant and writer, took a dog-sled tour in Alberta, Canada and realised that dogs can be managed under the same human principles of leadership.



Leading a team of dogs to cross the snowy expanses of Canada is not very different from managing an organisation. Dogs have to be organised in a special way to make best use of their abilities and motivated in the course of being driven across the wilderness.

Sled Guide Connie Arsenault explained how a dog team has to be organised. All the dogs are attached to the sled by one common line. The **direction** of this line is the direction the sled will take and each animal's effort could be gauged by its alignment to the direction of travel.

Organising

The **positioning** of the dogs in a team is determined by their size, level of courage and willingness to perform. A team is made up of lead dogs, point dogs, swing dogs and wheel dogs.

In an eight-dog team of four pairs, the first pair is the *lead dogs*. They are not the strongest but they have the intelligence, focus, character and speed that allow the other dogs to follow. If the lead dogs do not lead, the team will not follow and the sled will go nowhere.

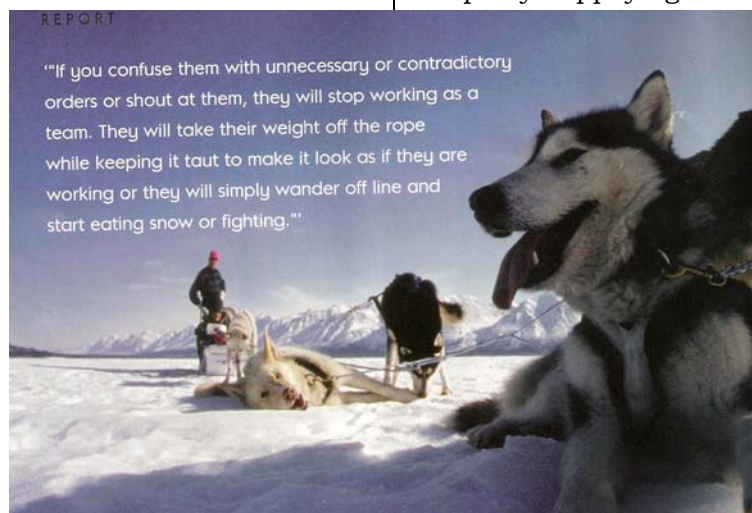
Next are the *point dogs*, the apprentice lead dogs.

At the back of the team are the *wheel dogs*; these two are the powerhouse of the team: strong and un-dramatic. They follow given

directions and get the job done.

In the middle are the *swing dogs*. This pair will usually consist of a young dog and an older dog, perhaps an old lead or wheel dog who has years of experience but has been replaced because of age. His usefulness is not over and can train the younger dog through his example and experience. He in turn responds to and gains fresh energy from the enthusiasm of the younger dog.

This team of eight dogs will comfortably haul three people all day, or they will equally happily fight and play in the snow.



Motivating

Driving is done exclusively by **praise and recognition** – for team effort and for the individuals. "Good puppies, well done Misty, good boy Laredo". And just

once, Peter Hunter as a driver, caught a backward glance from Laredo, he seemed to say, "See, that's how you do it", and then he was back to his job.

Connie explained the significance of the driver's position relative to the team of dogs – all Canadian huskies. "As manager of the team, the driver has to earn the right to be there. Unless he was prepared to jump off the sled and give a hand when needed, the manager will lose respect of the dogs and the managed would simply stop pulling. The driver's help included pushing when going uphill and holding back when

going downhill so the sled will not overrun the dogs.”

The amount of praise and encouragement from Connie might have been an overkill, but in fact, she was adding fuel to keep the team working.

The driver’s job was not to tell the team what to do – the dogs know more about this than him. The job was to provide the physical and verbal support and the appreciation.

Connie said, “If you are in charge of a team and you get it wrong, the team will cease to function. This means they will stop pulling in the same direction and becomes incapable.

“Managers have to watch for the signs from the team. The first thing to understand is that these are workers who get so excited at the prospect of pulling that at the beginning of the day when they are fresh they will at times go too fast. If you stick to the three instructions they know and understand – ‘stop’, ‘go’ and ‘take it easy’ – and give them the support needed at the right time, they will do their best for you.

“If you confuse them with unnecessary or contradictory orders or shout at them, they will stop working as a team. They will simply take their weight off the rope.”

Connie said the first sign of confusion is when the dogs start to look over their shoulders for the driver. Normally the lead dog is the first to turn around while still pulling, with a signal in their eyes telling the driver that he was shouting out incoherent commands.

Unless the driver pays attention to these first signs, the team will breakdown.

The interesting thing about this expedition is the similarity in behaviour of man and dog. Getting work done effectively requires organisation, teaming up and positioning the right people for the right job, leave the workers to carry on tasks themselves but motivating their enthusiasm with appropriate encouragement and support at the right time. Connie may not have deliberately practiced the principles of leadership but she has been racing dog teams in the same way they have been raced for hundreds of years and she knows this is the way to win.

(Adapted from Professional Manager, January 2006)

PETER DRUCKER

The King of Management

Few who are interested in management ideas will have failed to notice the passing of Professor Peter F Drucker, the master of management thought, writes Peter Starbuck FCMI.

There have been many tributes to him from America and the UK as well as Japan where he was revered like a national treasure. Few, however, have noted that Drucker's first aim was to discover a new society and that it was as a result of this search that he discovered management.

He died at home Claremont, California, on 11 November 2005, just eight days short of his 96th birthday. Drucker was born in Vienna on 19 November 1909, into a highly academic and intellectual family. In his formative years he witnessed first hand some

of the most traumatic events of the 20th Century.

At the age of 18 he left Vienna for Hamburg to work as an apprentice clerk in an ironmongery export business, also enrolling as a part time law student at Hamburg University. The Danish theologian Kierkegaard, whose ideas he encountered at Hamburg, and the Italian composer Verdi were two of the major influences on his life. From the former he gained his Lutheran Christian faith and ethical belief that people should be the centre of his work; from the latter, a commitment to keep working and improving all his life.

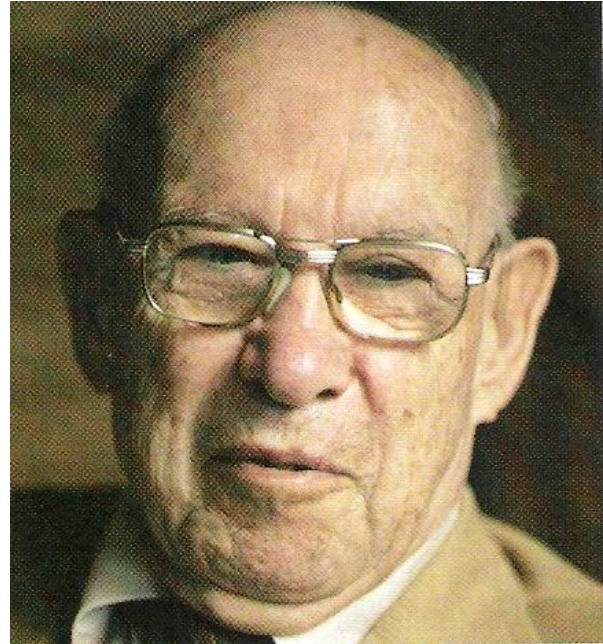
After 18 months he transferred to Frankfurt University as a part-time student and launched his writing career, joining the prominent daily newspaper, Frankfurter General-Anzeiger. Despite his hectic schedule, which included lecturing at Frankfurt, he obtained his doctorate in Constitutional and International Law at the age of 22 in 1931.

He moved to England in 1937 when he worked for a merchant bank, continued his journalistic career and became interested in Japanese Art, a subject in which he was later to become an expert. He also married. His wife Doris Schmid, who attended his lectures in Frankfurt, survives him.

Drucker then went to New York with commissions to write for British publications and in May 1939 published his first book – *The End of Economic Man*, a pessimistic analysis of the economic, political and moral collapse of Europe and the rise of totalitarianism. The only "maybe hope" in the

book was for a new world to be shaped upon the American free market economy.

This was followed by a more optimistic analysis in his second book, *The Future of Industrial Man*, which starts to identify big business as the best prospect for shaping a better life.



PETER DRUCKER 1909 - 2005

His book attracted the attention of senior management at General Motors, the world's largest manufacturer, with half a billion employees. They commissioned him to write a report on GM as a social unit. The result was *The Concept of the Corporation*, which was the first study of an enterprise as a social organisation. Amongst its collection of messages, which became the foundation of many of his later developed ideas, he identified management as "the life provider".

At the end of World War II as several million GIs went back to college to complete their education under a government-sponsored scheme, Drucker's book about big business was ready and waiting for them. It introduced decentralisation to the world and

set a trend whereby most of the top companies in America changed their structures to match, as did many in Europe and Japan.

The majority of Drucker's ideas first emerged in his seminal work, *The Practice of Management*. It is the book that launched the concept of **management by objectives**, which he described as the philosophy of management. It is a justifiable claim as Drucker was the first to identify the need to integrate all the functions of management. Previously, the binding agent had been coordination. For Drucker this was important, but only as one of the functions.

Drucker had a special relationship with the *Chartered Management Institute* (then the British Institute of Management) in the 1960s and 70s, fostered primarily by the late Lydall Urwick, Professor Edward Brech CCMI and John Humble FIMC CCMI.

At a conference organised by the Institute on the 2 April 1964, 800 senior managers gathered in the Connaught Rooms. London, to hear two addresses by Professor Drucker, on *The Effective Business and The Effective Executive*.

In September 1965, Drucker was telling Institute members that the manager's job had now become an "executive role" with three dimensions: *The entrepreneurial, managerial and communal*.

The Institute organised further sell out conferences for members in November/December 1971, and in May 1974. The topical subjects included the top management job, management by objective, labour relations and computers, followed by

the need for effective management performance in changing world.

Drucker will be remembered as the master of management who searched the past, changed the present and still had the vision to be a futurist.

(Reproduced from *Professional Manager* January 2006.
Article written by Peter Starbuck FCMI,
management writer and coach)

ENGLISH

Words Worth

WRONG	RIGHT
× Banks have shorter working hour than most other places	✓ Banks have shorter working hours than most other places
'Hour' is countable, so saying more than one hour will have to be 'hours'.	
× When I have made up my decision, I will come back.	✓ When I have made up my mind, I will come back. ✓ When I have made my decision, I will come back.
<i>The wrong version mixed up two correct examples. You make up your mind, or you make a decision. If you say 'made up a decision', you mean you 'created' a decision out of nothing (e.g. 'made up a story').</i>	
× Do you have appetite ? × I don't have appetite for dinner.	✓ Do you have an appetite? ✓ I don't have any appetite for dinner.
In many cultures (e.g. French – Bon appetite!) we wish the eaters 'Good appetite!' as they begin a meal. However, in English a determiner ('a' or 'any') normally needs to be used with 'appetite'.	

敬祝各位讀者



狗年大躍進!

Consort Management Consultants Ltd.